

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN MIKE SPRAGUE**, on February 11, 1999 at 3:05 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Mike Sprague, Chairman (R)
Sen. Ken Miller, Vice Chairman (R)
Sen. John C. Bohlinger (R)
Sen. Chris Christiaens (D)
Sen. Dorothy Eck (D)
Sen. Bill Glaser (R)
Sen. Duane Grimes (R)
Sen. Don Hargrove (R)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Jon Tester (D)

Members Excused: None.

Members Absent: None.

Staff Present: Jodi Pauley, Committee Secretary
Mary Vandebosch, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 417, 2/9/1999; SB 415,
2/9/1999; SB 423, 2/9/1999; SB
349, 2/9/1999; SB 366,
2/9/1999
Executive Action: SB 350

Discussion:

SEN. J.D. LYNCH said he would like to allow a committee bill to be introduced on behalf of Butte-Silverbow. He said they are

talking about road funds from the gas tax. He said when they consolidated 20 years ago they used the city limits for road purposes and gas. The old city limits in Butte is no longer their metropolitan area. This bill will not mean more taxes.

Bob McCarthy, Co. Attorney for Butte-Silverbow, said on May 2, 1977 the former governments of the City of Butte and Silverbow County where merged into a single consolidated government. He read part of section 7-3-1103. He said the surveyor in their road department discovered that there is a provision in the tax title dealing with allocation of gas tax money for the maintenance of roads. He read 15-70-101 of the current statutes. He said when County Governments consolidated they didn't want all of the money taken out of the fund so they didn't classify all of their rural roads as urban streets.

Vote: Motion carried unanimously 10-0 to have a committee bill.

HEARING ON SB 417

Sponsor: SEN. MIGNON WATERMAN, SD 26, Helena

Proponents:

David Clouse, MT Sheriffs and Peace Officers Assoc.

Gordon Morris, MT Assoc. of Counties

Jim Smith, MT Sheriffs and Peace Officers Assoc.

Opponents: None

Opening Statement by Sponsor:

SEN. MIGNON WATERMAN, SD 26, Helena, said the purpose of this bill is the problem that county sheriffs are having in providing medical services to inmates in our county jails. If there were a major medical catastrophe it might bankrupt the sheriff's budget. Prior to the 1980's inmates were provided medical care through the county welfare system. But this has been deleted from the welfare program to provide these services. The Supreme Court ruled in 1988 that the county was financially responsible for medical costs. In order for sheriffs to pay for these costs they must now take money from law enforcement services budgets. This bill puts it back into the county welfare program.

Proponents' Testimony:

David Clouse, MT Sheriffs and Peace Officers Assoc., rose in support of SB 417. **EXHIBIT(1os34a01)** **EXHIBIT(1os34a02)**

{Tape : 1; Side : A; Approx. Time Counter : 3:23 p.m.}

Gordon Morris, MT Assoc. of Counties, said what they are looking for is the two mill authority to tax and will be used for the health care needs of inmates.

Jim Smith, MT Sheriffs and Peace Officers Assoc., said this affects major counties all the time and other counties run the risk of a major medical expense.

Opponents' Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

SEN. WATERMAN closed on **SB 417**.

HEARING ON SB 415

Sponsor: **SEN. REINY JABS, SD 3, Hardin**

Proponents:

Gordon Morris, MACo
Charles Brookes, Yellowstone Co. Commissioners

Opponents: None

Opening Statement by Sponsor:

SEN. REINY JABS, SD 3, Hardin, said this bill is an optional bidding preference for county residents. He read line 3, page 1. He said on line 9 they are giving a three percent preference up to \$500. This gives counties some flexibility to give bids to local persons.

Proponents' Testimony:

Gordon Morris, MACo, said what they are asking for is a resident county preference.

Charles Brookes, Yellowstone Co. Commissioners, rose in support of **SB 415**.

Opponents' Testimony: None

Questions from Committee Members and Responses:

CHAIRMAN MIKE SPRAGUE asked about the Fiscal Note and if there is a need for one. **Gordon Morris** said this bill doesn't need a Fiscal Note because it is an existing condition already.

SEN. LYNCH asked if this was an optional thing for the counties to use. **Gordon Morris** said this is mandatory.

SEN. LYNCH asked why should they force them to do it. **SEN. JABS** said it is for the lowest and best bidder.

SEN. LYNCH said they are trying to get out of the business of forcing counties to do things they don't want to do. **Mary Vandenbosch** said page 1, line 10, it is "may" be contracted and this language is permissive.

SEN. JABS said he would like it to be "shall". This preference should be given to the local person because they pay taxes in that county and helps the community. This is for anything that is over \$20,000.

SEN. DON HARGROVE said current law requires the lowest bidder and is this a special preference for the county. **SEN. JABS** said yes.

SEN. CHRIS CHRISTIAENS said even though it is the lowest bid there may be other reasons that commissioners may not want to accept that bid and they need this option. **SEN. JABS** said if they have cases to prove that it isn't the best offer, then they can use that criteria over the lowest bid.

SEN. LYNCH read line 9 and asked what happens if there are out-of-state bidders on a contract, state bidders, and in-county bidders what would happen. **SEN. JABS** said the out-of-state bidders would go to a three percent.

SEN. LYNCH said the only time they could use this is if there were no out-of-state bidders. **Mary Vandenbosch** said it is to make it consistent with Title 18.

SEN. LYNCH asked what happens if they have out-of-state bidders. **Gordon Morris** said in-state bidders get a preference to out-of-state bidders. What this bill is trying to do is give preference to in county bidders over other in-state bidders.

SEN. JON TESTER asked if this is really necessary. **Gordon Morris** said they would rather spend the money on main street and this bill will enable them to do that.

SEN. BILL GLASER asked what the logic was of someone who lives 100 yards on the other side of the line and should they be excluded from the bidding practices. **SEN. JABS** said residents pay taxes in their county and they should have some preferences. He thought counties should have a smaller percent so they could deal with these kind of things.

CHAIRMAN SPRAGUE said the intention is to give local consideration, but this may eliminate competition which in turn would drive up prices. **SEN. JABS** said if there were only one car dealer in town, he would have the edge, for example, when it came time to bid on two police cars.

CHAIRMAN SPRAGUE asked if it would drive away competition and locals would have to pay more. **SEN. JABS** said he is trying to give the local people an advantage.

SEN. GLASER referred to the Constitution that they cannot give special privileges and are they giving special privileges to people who live in the counties. **SEN. JABS** said present law gives preference to in-state versus out-of-state and they are breaking the law already.

SEN. GLASER asked if they are talking about state, county and city money in this. **SEN. JABS** said he would have to look into this.

Closing by Sponsor:

SEN. JABS said the local people are taxpayers and this is a good policy.

{Tape : 1; Side : A; Approx. Time Counter : 3:50 p.m.}

HEARING ON SB 423

Sponsor: **SEN. DALE MAHLUM, SD 35, Missoula**

Proponents:

Mike Kadus, Mayor of Missoula

Jennie Dixon, Missoula Co. Planning Board

Opponents: None

Opening Statement by Sponsor:

SEN. DALE MAHLUM, SD 35, Missoula, read the title of the bill. He said state law now provides for combined annexation for zoning hearings only. He said there are two situations in which a municipality may choose to apply zoning that is not comparable to prior county zoning. There may be a variance of special exemption or a citizen initiated zoning district that has been approved by the county, but the city zone does not permit the approved use. The second is where there is a comprehensive plan that has been adopted and recommends a different land use other than the use authorized by the prior county zoning. This bill will give municipalities more flexibility to work with land owners who have petitioned for annexation and to apply zoning that reflects actual land use of the property.

Proponents' Testimony:

Mike Kadus, Mayor of Missoula, said when property is annexed in the city, that property has to be zoned even if it was zoned in the county. This gives them an easier way to do that. He said if they don't have this flexibility they then have to go through the planning board and do a second hearing in front of the city council. This process can take three months and up to an additional \$500.

Jennie Dixon, Missoula Co. Planning Board, said this bill is intended to give the municipality flexibility to look at what the land is used for and to zone it that way.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. HARGROVE asked if master plan should be changed to growth policy. **Jenny Dixon** said with the passage of **SB 97** it would be reasonable. **Mary Vandebosch** said it would automatically change with the passage of **SB 97**.

Closing by Sponsor:

SEN. MAHLUM closed on **SB 423**.

{Tape : 1; Side : B; Approx. Time Counter : 3:59 p.m.}

HEARING ON SB 349

Sponsor: **SEN. CHRIS CHRISTIAENS, SD 23, Great Falls**

Proponents:

SEN. JOHN BOHLINGER, SD 7 Billings
Ronda Carpenter, MT Housing Providers
Mick Robinson, Governor's Office
Maureen Rude, Board of Housing
Carson Strege, MT Housing Partnership
Ellen Engstedt, Human Resource Development Council
Betty Waddell, MT Assoc. of Churches
Byron Roberts, MT Building Industries Assoc.
Stuart Doggett, MT Manufactured Housing Assoc.

Opponents: None

Opening Statement by Sponsor:

SEN. CHRIS CHRISTIAENS, SD 23, Great Falls, passed out some amendments. **EXHIBIT(10s34a03)** He said there is the need for affordable housing in this state. The money for this bill was appropriated in HB 2 in the last session from the Department of Health and Human Services to the Department of Justice in support of the ARCO settlement. ARCO did settle and this money reverted back to the General Fund as of October of last year. He is asking that \$2 Million of that one time money be established with the Board of Housing to give them an affordable housing loan fund. The \$2 Million will be loaned out by the Board of Housing to those organizations that are in the business of building affordable housing.

Proponents' Testimony:

SEN. JOHN BOHLINGER, SD 7, Billings, said this will be a way to jump start this program.

Ronda Carpenter, MT Housing Providers, said this does not create a new tax and can be used by both non-profit and profit organizations. This will be used in gap financing to help finish a project, etc. The board uses very good judgement in balancing the needs of low and moderate income Montanans and keeps government from competing with private enterprise.

Mick Robinson, Governor's Office, said the Governor does support this bill and there is funding available for this program.

Maureen Rude, Board of Housing, said they have many projects in which there is a gap in financing and this revolving loan would help this process. She said they can't do re-financing and this fund would help resolve that dilemma. She said they would do this

on a monthly basis so people could apply and then the proposal would be taken to the next board meeting. They also already have the generic form for these applications of financing.

{Tape : 1; Side : B; Approx. Time Counter : 4:08 p.m.}

Carson Strege, MT Housing Partnership, said there is an acute shortage of affordable housing in Montana. Montana lacks up to 25,000 units of affordable housing for lower income citizens. She said there are over 31,000 sub-standard units within our state. This bill has a one time appropriation of funds and perhaps this needs to be addressed to ensure they always have funds available every year.

Ellen Engstedt, Human Resource Development Council, said their goal is to provide affordable housing.

Betty Waddell, MT Assoc. of Churches, said there are children living in box cars and families living in KOA campgrounds, etc. They need to find affordable housing for families in Montana.

Byron Roberts, MT Building Industries Assoc., said housing costs have doubled since 1990 and this will help lower income people.

Stuart Doggett, MT Manufactured Housing Assoc., rose in support of SB 349.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. TESTER asked if this is in the Governor's budget. **Mick Robinson** said no this legislation came later than the conclusion of the budget and was not possible to include in the final issue. This does not impact the balanced budget that was presented.

SEN. TESTER asked if the Governor supports this bill. **Mick Robinson** said yes.

SEN. HARGROVE asked if this money was appropriated two years ago and is in the General Fund and is there any type of ear mark on it. **Mick Robinson** said it was transferred back to the General Fund and is not included in the General Fund balance so it will have no net impact on the fund.

CHAIRMAN SPRAGUE asked if this bill was not approved what would happen to that money. **Mick Robinson** said it would be an addition the General Fund balance.

SEN. ECK asked if there should be a person representing low income people on the advisory board. **SEN. CHRISTIAENS** said the Board of Housing looks at these issues all the time and it is not necessary to have a separate advisory board. When the Governor makes his next appointments to the Board of Housing someone from that sector can be represented on the board.

SEN. LYNCH said any bill that has the word appropriation should start in the House. **SEN. CHRISTIAENS** said he didn't know for sure but generally that is the case.

Closing by Sponsor:

SEN. CHRISTIAENS said the \$2 Million dollars did revert back to the General Fund but not until October. Consequently, it does not show in the ending fund balance of the General Fund. He wants this fund to be used for gap-financing because it is the biggest area that they find need. The \$2 Million gets a fund established and with interest and replenishing the principle it gives them the ability to do some things and they can look at this again in two years.

{Tape : 1; Side : B; Approx. Time Counter : 4:24 p.m.}

HEARING ON SB 366

Sponsor: **SEN. SUE BARTLETT, SD 27, Helena**

Proponents:

Gordon Morris, MACo

Mike Griffith, Lewis and Clark County Commissioners

Stuart Doggett, MT Manufactured Housing

Ronda Carpenter, Montana Housing Providers

Opponents:

Opening Statement by Sponsor:

SEN. SUE BARTLETT, SD 27, Helena, said this bill will enable counties to establish a program for removing, recycling and disposing of abandoned and deserted mobile homes. It would be optional for the counties and she read line 23, page 1. The bill would incorporate the mobile home recycling program into the existing junk vehicle program. It does require that before a county can remove a mobile home they must obtain a signed title from the owner or a signed release of ownership. The county must also have the permission of the real property owner in which the mobile home sits. Each county would have to prepare a plan that

describes their program and submit to the Department of Environmental Quality. Counties with approved plans may not use more than 20 percent of the counties allowable fiscal year junk vehicle budget for reimbursement for the cost involved to remove mobile homes. She passed out an amendment and explained them.

EXHIBIT (los34a04)

Proponents' Testimony:

Gordon Morris, MACo, rose in support of **SB 366.**

Mike Griffith, Lewis and Clark County Commissioners, said this is a bill for the principle of health, safety and general welfare of the residents of the State of Montana. He passed out a picture of an abandoned mobile home. **EXHIBIT (los34a05)**

Stuart Doggett, MT Manufactured Housing, said this is being done in other states and is successful.

Ronda Carpenter, Montana Housing Providers, said this is not a regular problem, but one that arises in mobile home parks with abandoned mobile homes. There is a House bill which is companion legislation addressing the landlord tenant act to meld with this.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. MAHLUM asked what if they can't find the owner of this mobile home. **SEN. BARTLETT** said this is a problem, there are provision elsewhere in the law to foreclose on abandoned property that has no identifiable owner or can't be found.

SEN. LYNCH asked if the Department dealing with the junk vehicle program has been identified. **SEN. BARTLETT** said she had not heard from the Department.

SEN. LYNCH referred to the amendment **(EXHIBIT 4)**. He said there should be some responsibility of the person that owns the trailer park to help clean up the mobile home without involving the junk vehicle fund. **Mike Griffith** said the cost of removing this unit would initially fall upon the real property owner. He said they are trying to provide a mechanism so that unit can be disposed of. This is up to the discretion of the individual counties. He said the central problem they have is trying to find the owner of the unit. He said one of the biggest problems is landowners are being left with the unit and they want to try and work with them.

Ronda Carpenter said landlord tenant law specifically tells them how to notify for abandoned property. She said on page 2, line 15-17, it addresses how they will collect the money. She said the problem is when a person comes to remove a mobile home they will not move them unless the owner of the mobile home park holds the title. They cannot hold this title because it is not legal for a mobile home park owner to do that. This law will let them pay someone to haul those mobile homes away and they are not asking the government to do this.

CHAIRMAN SPRAGUE asked if the mobile home in the picture would have to be destroyed. **(EXHIBIT 5) Mike Griffith** said there is flexibility within the bill to allow the multi-jurisdiction to sell that mobile home.

CHAIRMAN SPRAGUE asked if the tow truck operator comes and gets the mobile home can he fix it up himself or sell it. **Mike Griffith** said if the salvage operator chooses to do that they could. He said if nobody stepped forward to buy the mobile home, etc. they could have the local fire department use it as a training. They would take care of the scrap metal, etc.

SEN. ECK asked what do they do with refrigerators, etc. **Mike Griffith** said if there are any hazardous materials within the unit it is the responsibility of the local government to make sure they are removed.

Closing by Sponsor:

SEN. BARTLETT referred to page 3 at the top of the bill, this addresses the point that if they wanted to sell the unit they could. She said line 13-14, page 3 requires that hazardous materials must be recycled.

EXECUTIVE ACTION ON SB 350

Motion/Vote: **SEN. HARGROVE** moved that **SB 350 BE TABLED. Motion carried 7-0.**

ADJOURNMENT

Adjournment: 4:50 P.M.

SEN. MIKE SPRAGUE, Chairman

JODI PAULEY, Secretary

MS/JP

EXHIBIT (los34aad)